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Message Text

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ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 DODE-00 PM-04 H-02

L-03 NSC-05 PA-01 PRS-01 SS-15 SAJ-01 EA-07 /104 W
---------- 090772
R 021510Z JAN 76
FM AMEMBASSY VALLETTA
TO SECSTATE WASHC 6593
INFO AMEMBASSY LONDON
AMEMBASSY ROME
AMEMBASSY TRIPOLI
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E.O. 11652: N/A
TAGS: PINT, PFOR, MT
SUBJECT: PRIME MINISTER MINTOFF'S NEW YEAR'S ADDRESS

1. BEGIN SUMMARY: PRIME MINISTER MINTOFF DELIVERED HIS USUAL END-OF-THE-YEAR TELEVISION AND RADIO BROADCAST TO THE NATION ON DECEMBER AEQM HIS SPEECH THIS YEAR WAS MOST NOTABLE FOR ITS DELIBERATE AND UNENTHUSIASTIC STYLE OF DELIVERY, AND THE ALMOST COMPLETE LACK OF ANY SIGNIFICANT NEW POLITICAL CONTENT. LARGELY A STILTED RECITAL OF CAREFULLY SELECTED, AND PREVIOUSLY KNOWN, ECONOMIC STATISTICS, MINTOFF'S MAIN PURPOSE APPEARED TO BE THE ESTABLISHEMENT OF A BASIS FOR THE CLAIM THAT HIS LABOR GOVERNMENT HAS GIVEN MALTA GREATER ECONOMIC STABLITY AND PROGRESS, EVEN IN THE FACE OF WORLDWIDE RECESSION, THAN COULD HAVE BEEN POSSIBLE UNDER THE OPPOSITION NATIONALIST IARTY. MINTOFF DID NOT EVEN MENTION THE ONE SUBJECT THAT IS ON EVERY MALTESE MIND--THE FORTHCOMING 1976 PARLIAMENTARY ELECTIONS.

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END SUMMARY.

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2. MINTOFF SPENT TWO-THIRDS OF HIS 30-MINUTE SPEECH READING ECONOMIC STATISTICS FROM A STACK OF PAPERS BEFORE HIM IN A DELIBERATE, RATHER BORED TONE OF VOIIE. AMONG THE ACHIEVEMENTS HE CITED WERE THOSE EXTENDING OVER THE ENTIRE FOUR-AND-A-HALF YEARS OF HIS LABOR ADMINISTRATION (SINCE JUNE 1971), AS WELL AS IMPROVEMENTS REGISTERED DURING 1975. MINTOFF'S MAIN POINTS WERE THE FOLLOWING:

(A) MALTESE EXPORTS HAVE ALMOST QUADRUPLED UNDER HIS ADMINISTRATION, RISING FROM MALTESE POUNDS 16 MILLION IN 1970 TO 61 MILLION IN 1975;

(B) TOURISTS COMING TO MALTA HAVE DUBLED DURING THE SAME PERIOD, INCREASING FROM 171,000 IN 1970 TO MORE THAN 330,000 IN 1975;

(C) CENTRAL BANK RESERVES HAVE INCREASED MALTESE POUNDS QPP MILLION UNDER THE LABOR GOVERNMENT, GROWING FROM 80 MILLION IN JUNE 1970 TO 183 MILLION IN DECEMBER 1975;

(D) MALTA'S FAVORABLE ANNUAL BALANCE OF PAYMENTS HAS INCREASED FROM MALTESE POUNDS EIGHT MILLION IN 1970 TO 50 MILLION IN 1975;

(E) THE NUMBER OF "GAINFULLY EMBPLYED" MALTESE INCREASED 3,500 IN 1975, RISING FROM 102,300 "IN 1974" TO 105,800 "IN 1975";

(F) UNEMPLOYMENT DECLINED "BETWEEN NOVEMBER 1974 AND NOVEMBER 1975" FROM 6,600 TO 4.800 PERSONS;

(G) EMIGRATION IN 1975 WAS THE LOWEST SINCE 1958, ONLY JQNRPP PERSONS; AND FOR THE "FIRST TIME IN THE HISTORY OF MALTESE EMIGRATION" THE NUHBER OF RETURNING WORKERS WAS HIGHER THAN THE NUMBER OF EMIGRANTS;

(H) CAPITAL INVESTMENT REACHED THE RECORD LEVEL
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OF MALTESE POUNDS 33 MILLION IN 1975, OF WHICH SOME 16 MILLION IS BEING DIRECTLY UTILIZED IN GOVERNMENT PROJECTS SUCH AS THE MARSA DOCK, THE PURCHASE OF SHIPS AND THE ESTABLISHMENT OF FACTORIES.

3. MINTOFF EMPHASIZED THAT THESE ELEMENTS OF MALTESE ECONOMIC PROGRESS HAD BEEN ACHIEVED DESPITE THE 1971-72 DISPUTE WITH THE U.K. OVER THE BASE-RENTAL AGREEMENT,

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THE WORLD-WIDE RECESSION, TWT YEARS OF VERY DRY
WEATHER IN MALTA (1974-75), FOOT-AND-MOUTH EISEASE
(IN 1975), INFLATIONARY TRENDS WHICH HAD "WRECKED
SERLING" (I.E, THE U.K. POUND) AND "DAMAGED THE
DOLLAR," AND THE INTERNATIONAL OIL CRISIS. MINTOFF
ADDED THAT MALTA HAD EXPERIENCED
"EVERY AILMENT EXCEPT WAR," AND THAT THIS HAD BEEN
AVOIDED BECAUSE "MALTA AND OTHER NATIONS" HAD
PURSUED A POLICY OF PEACE. MINTOFF STATED THAT
STATED THAT
THE MAINTENANCE OF PEACE IN THE MEDITERRANEAN
SHOULD BE THE POLICY OF "EVERY MALTESE GOVERNMENT".

4. IN THE LAST TEN MINUTES OF HIS ADDRESS, MINTOFF
TUNED TO WHAT HE DESCRIVED AS "POLITICAL MILESTONES
ACHIEVED BY HIS LABOR GOVERNMENT SINCE 1971."
THESE INCLUDED THE FOLLOWING:

(A) THE ESTABLISHMENT OF THE REPUBLIC OF
MALTA, AND THE ELIMINATION OF THE PRIVILEGES OF
THE "RICH AND UPPER CLASSES;"

(B) THE DESTRUCTION OF THE LAZINESS, SMUGGLING
AND CORRUPTION" INHERITED FROM THE PREVIOUS NATIONLIST
ADMINISTRATION;

(C) THE TRANSFER OF CONTROL OF THE
"ARTERIES OF THE LIFE OF THE NATION" FROM "FOREIGN"
TO MALTESE HANDS, INCLUDING AIR MALTA, SEA MALTA,
TELEMALTA (COMMUNICATIONS, BROADCASTING AND
TELEVISION) AND THE MID-MED BANK (AND OTHER BANKS);

(D) THE REVITALIZATION OF THE MALTA DRYDOCKS,
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TURNING HIS "LEADING INDUSTRY" FROM ONE WHICH WAS
LOSING MALTESE POUNDS FOUR MILLION ANNUALLY INTO A
PROFIT-MAKER WHICH WAS NOW REALIZING AN ANNUAL GROSS
POFIT OF 500,000 MALTESE POUNDS, WITH A POTENTIAL
FOR HIGHER PROFITS IN THE FUTURE;

(E) THE ESTABLISHMENT OF A NUMBER OF
FACTTIES TO INCREASE THE INDUSTRIALIZATION OF THE
COUNTRY, THROUGH JOINT VENTURES ORGANIZED BY THE
MALTA DEVELOPMENT CORPORATION AND THE ASSISTANCE
OF SUCH FRIENDLY GOVERNMENTS AS CHINA AND LIBYA;

(F) THE SUCCESSFUL CONCLUSION OF THE PROTRACTED
NEGOTIATIONS FOR A NEW ASSOCIATION AGREEMENT WITH
THE EUROPEAN ECONOMIC COMMUNITY, WHICH WAS A "VICTORY"

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FOR MALTA.

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L-03 NSC-05 PA-01 PRS-01 SS-15 SAJ-01 EA-07 /104 W
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FM AMEMBASSY VALLETTA
TO SECSTATE WASHDC 6594
INFO AMEMBASSY LONDON
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5. MINTOFF ALSO REFERRED TO THE MANY SOCIAL BENEFITS AND ALLOWANCES WHICH HIS GOVERNMENT HAD INTRODUCED TO IMPROVE THE STANDARD OF LIVING OF THE "LOWER CLASSES, THE SICK AND ELDERLY, AND THE WORKERS." IN THIS REGARD, HE ANNOUNCED THAT THE NOW-COMPULSORY ANNUAL "CHRISTMAS BONUS" WOULD BE INCREASED FROM THE 1975 AMOUNT OF MALTESE POUNDS 36 TO A NEW TOTAL OF 48 POUNDS. IN 1976, ONE-HALF OF THE BONUS WOULD BE PAID ON JULY, AND THE OTHER HALF JUST BEFORE CHRISTMAS.

6. MINTOFF ALSO ANNOUNCED THAT DURING THE COMING YEAR HIS GOVERNMENT WOULD INTRODUCE AN INVESTMENT INCENTIVE SCHEME TO ENCOURAGE MALTESE WHO HAD SENT THEIR FUNDS ABROAD TO REPATRIATE THEIR MONEY FOR MALTESE ECONOMIC DEVELOPMENT. TO ACCOMPLISH THIS, HE SAID THE GOVERMENT WOULD OFFER AN INTEREST RATE "HIGHER THAN THE PRESENT FIVE PERCENT" TO

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MALTESE INVESTORS.
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7. IN CONCLUSION, MINTOFF CALLED FOR A GREATER ALL ROUND EFFORT FROM EVERY MALTESE TO WORK TOGETHER FOR THE GOOD OF THE COUNTRY, ESPECIALLY THE POOR, THE SICK AND THE HANDICAPPED, SO THAT MALTA COULD "PROGRESS IN PEACE" DURING 1976.

8. COMMENT: THIS WAS ONE OF THE LEAST IMPRESSIVE OF THE PRIME ININSTER'S PERIODIC TELEVISION APPEARANCES OBSERVED BY THE EMBASSY DURING THE LAST YEAR AND A HALF. MOST OF THE CAREFULLY-SELECTED STATISTICS HAD LONG-SINCE BEEN WORKED TO DEATH ON THE POLITICAL CIRCUIT BY VARIOUS LABOR POLITICAIANS IN RECENT MONTHS. AND, AS USUAL, LESS POSITIVE STATISTICS WERE COMPLETELY IGNORED, ESPECIALLY THE DISGUISED UNEMPLOYMENT OF SOME FIVE TO SIX THOUSAND MEN STILL ENGATED IN THE GOM'S MAKE-WORK JOB CORPS. DESPITE MANY STORIES ON THE ISLAND ABOUT FRANTIC EFFORTS AMONG HIS MINISTERS AND OFFICIALS TO COME UP WITH AN IMPRESSIVE LIST OF "BIG PROJECTS" TO BE ANNOUNCED IN THE ADRESS, THESE DID NOT MATERIALIZE. THE SHIFTING OF NONE-HALF OF THE "CHRISTMAS/ BONUS TO JULY MAY WELL BE CHALLENGED BY THE OPPOSITION AS AN EFFORT TO INFLUENCE VOTES IN THE FORTHCOMING ELECTION, GENERALLY EXPECTED IN THE LATE SPRING OR EARLY SUMMER OF 1976. THE ELCTION WAS THE ONE SUBJECT MOST MALTESE HOPED MINTOFF WOULD MENTION, BUT HE EVADED THE ISSUE COMPLETELY. EDITORIAL REACTION TO MINTOFF'S ADDRESS HAS BEEN ALMOST HAS UNENTHUSIASTIC AS HIS STYLE OF DELIVERY, WITH EVEN THE PRO-MINTOFF LABOR PRESS HARD PRESSED TO MAKE MUCH OF HIS PERFORMANCE THIS TIME. SMITH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, SPEECHES, TELEVISION BROADCASTING
Control Number: n/a
Copy: SINGLE
Draft Date: 02 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976VALLET00002
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760001-0403
From: VALLETTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760189/aaaadazd.tel
Line Count: 262
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2004 by ElyME>; APPROVED <13 APR 2004 by morefirh>
Review Markings:

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US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRIME MINISTER MINTOFF'S NEW YEAR'S ADDRESS
TAGS: PINT, PFOR, MT, (MINTOFF, DOMINIC)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006